

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

TELCORDIA TECHNOLOGIES, INC.,)	REDACTED
)	PUBLIC VERSION
Plaintiff,)	_____
)	Civil Action No. 04-876-GMS
v.)	
)	
CISCO SYSTEMS, INC.,)	
)	
Defendant.)	
)	

**DECLARATION OF JAMES J. NAWROCKI IN SUPPORT OF TELCORDIA
TECHNOLOGIES, INC.'S MOTION FOR (1) AN AWARD OF PREJUDGMENT
INTEREST AND (2) AN ACCOUNTING OF DEFENDANT CISCO SYSTEMS, INC.'S
INFRINGEMENT SALES SINCE JANUARY 31, 2007**

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*Attorneys for Plaintiff/Counterclaim Defendant
Telcordia Technologies, Inc*

Dated: May 30, 2007

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

TELCORDIA TECHNOLOGIES, INC.,

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Plaintiff,

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v.

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CISCO SYSTEMS, INC.

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Civil Action No. 04-876-GMS

Defendant.

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DECLARATION OF JAMES J. NAWROCKI

I, James J. Nawrocki, declare under penalty of perjury the following:

1. I have been retained as an expert on behalf of the Plaintiff, Telcordia Technologies, Inc. ("Telcordia"). I am a certified public accountant at the firm IP Financial Consulting LLC ("IPF"). IPF is a financial consulting firm that provides corporate, individual and law firm clients with financial assessments of intellectual property and other corporate assets. My credentials and experience are described in detail in my June 28, 2006, report submitted in this matter regarding damages claimed by Telcordia.
2. I have been asked by Telcordia's counsel to calculate prejudgment interest on damages awarded by a jury verdict on May 10, 2007. I understand that the jury awarded Telcordia damages of \$6.5 million on sales of infringing products for the period

September 2001 through January 2007. I have only received Cisco's sales data through January 2007, and therefore reserve the right to supplement my calculation of prejudgment interest, as set forth herein, to include interest on Cisco's infringing sales thereafter if that information is made available.

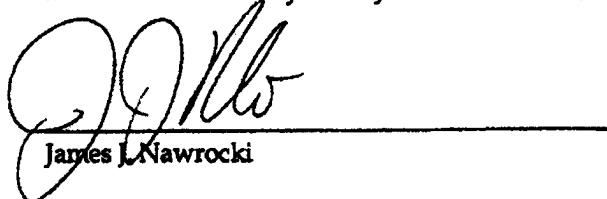
3. Based upon the facts and circumstances of this case and the May 29, 2007 Declaration of Joseph Giordano, I have been asked by the Plaintiff's counsel to calculate prejudgment interest on the damages awarded by the jury based on the Prime Rate compounded quarterly. Quarterly revenues were calculated based on the monthly sales of infringing products. I have assumed that quarterly revenues would be due on the first day of the following quarter (e.g. the combined October, November and December 2001 revenues would be due January 1, 2002). I have calculated prejudgment interest from the day that the revenues would be due through May 31, 2007. My prejudgment interest calculation is attached to this declaration as Schedule 1. Shown below is a summary of the interest calculated under this method:

Quarterly Compounding (Damages Begin 9/7/01) ¹	
Damages	\$6,500,000
Interest	\$1,161,616
Damages with Interest	\$7,661,616

¹ See Schedule 1

4. Pursuant to the provisions of 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 29th day of May 2007 in Houston, Texas.



A handwritten signature in black ink, appearing to read "JJ Nawrocki", is written over a horizontal line. Below the line, the name "James J. Nawrocki" is printed in a smaller, standard font.

Schedule 1

Telcordia Technologies, Inc. v. Cisco Systems, Inc.
Interest Calculation for Damages
at Prime Rate

Annual Prime Rate ¹	Periodic Rate ²	Sales of Infringing Products ³	Damages ⁴	Beginning Principal	Interest	Ending Principal
Qtr 3-2001 ⁵	6.91%	1.73%	\$16,122,759	\$103,355		\$105,140
Qtr 4-2001	6.91%	1.73%	56,301,382	360,920	\$1,785	471,502
Qtr 1-2002	4.67%	1.17%	57,288,748	367,250	5,441	848,544
Qtr 2-2002	4.67%	1.17%	48,213,936	309,076	9,792	1,171,135
Qtr 3-2002	4.67%	1.17%	41,950,160	268,793	13,515	
Qtr 4-2002	4.67%	1.17%	(134,524,781)	(862,371)	1,439,928	1,456,739
Qtr 1-2003	4.12%	1.03%	37,933,625	243,174	594,368	6,122
Qtr 2-2003	4.12%	1.03%	36,878,160	236,408	843,663	8,690
Qtr 3-2003	4.12%	1.03%	40,498,031	259,613	1,088,761	1,099,975
Qtr 4-2003	4.12%	1.03%	44,569,013	285,710	1,359,588	14,004
Qtr 1-2004	4.34%	1.09%	47,902,893	307,082	1,659,301	18,003
Qtr 2-2004	4.34%	1.09%	50,752,160	325,347	1,984,396	21,531
Qtr 3-2004	4.34%	1.09%	50,207,646	321,856	2,331,263	2,356,558
Qtr 4-2004	4.34%	1.09%	47,868,211	306,859	2,678,414	2,707,475
Qtr 1-2005	6.19%	1.55%	58,092,151	372,400	3,014,334	46,647
Qtr 2-2005	6.19%	1.55%	77,436,779	496,409	3,433,381	53,132
Qtr 3-2005	6.19%	1.55%	54,694,951	350,622	3,982,921	61,636
Qtr 4-2005	6.19%	1.55%	50,521,501	323,868	4,395,179	68,015
Qtr 1-2006	7.96%	1.99%	61,676,753	395,379	4,787,062	95,263
Qtr 2-2006	7.96%	1.99%	78,677,306	504,361	5,277,704	105,026
Qtr 3-2006	7.96%	1.99%	78,264,782	501,717	5,887,091	117,153
Qtr 4-2006	7.96%	1.99%	93,243,725	597,739	6,505,961	129,469
Qtr 1-2007	8.25%	2.06%	19,411,317	124,436	7,233,168	149,184
Qtr 2-2007 ⁶	8.25%	2.06%	—	—	7,382,352	
				7,506,789	154,828	7,661,616
						\$7,661,616
						Total
				\$6,500,000		\$1,161,616

Notes:

1. Source: www.federalreserve.com
2. Calculated as annual prime rate divided by 4 quarters
3. Quarterly sales derived from annual sales amounts shown on PTX-1812
4. Quarterly damages determined by time phasing the \$6.5 million award based upon the quarterly sales of infringing products
5. Includes Sales of infringing product beginning September 2001
6. Interest is calculated through May 31, 2007

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